

FISCAL NOTE

SB 3214 - HB 3143

March 19, 1998

SUMMARY OF BILL: Requires health insurance plans and health maintenance organizations which include eye care and vision care as covered services to include all willing and licensed providers of such services. Requires the plan to make available a list of credentialed providers and to update the list quarterly. Allows any provider or enrollee adversely affected by a violation of the act to sue the insurer for damages.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Expenditures - Less Than \$100,000

Increase State Expenditures - Exceeds \$100,000

Assumes that provisions of this bill will result in increased administrative cost to MCOs. The requirement to print lists of providers and send to enrollees on a quarterly basis will also increase MCO costs. The any willing provider provisions of the bill will impact the MCO's ability to maintain volume discounts currently received from providers. For these reasons we estimate the impact on MCOs will ultimately lead to increased capitation rates in the TennCare program. The amount of such increase cannot be determined but is estimated to exceed \$100,000.

The bill would not directly impact the state employee health plans or most local government health insurance plans, since Federal law (ERISA) exempts self-insured plans.

There is estimated to be some increased cost to local government plans that do not utilize the state plan or that are not self funded, however, the number and size of such plans is not estimated to generate a significant increase in local government expenditures.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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